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(1) Okinawa governor holds first meeting with Defense Minister Hayashi; Both agree to continue talks on Futenma issue

OKINAWA TIMES (Page 2) (Slightly abridged)
August 6, 2008

(Tokyo) Governor Hirokazu Nakaima, now in Tokyo, met on Aug. 5 for the first time with Defense Minister Yoshimasa Hayashi at the Defense Ministry. Referring to the issue of the relocation of the U.S. forces' Futenma Air Station, Governor Nakaima said, "Even though our views might differ, it is important for us to carefully carry out verbal communication." In response, Defense Minister Hayashi stated, "We must build channels of communication between us." The two agreed that talks between the central and local governments should continue on a regular basis.

Governor Nakaima, bringing up the issue of moving the V-shaped runways for the Futenma alternate site into the sea, which he has been seeking, said, "The contents of this was explained to the minister at council meetings until now, so we can talk of it later." He did not make another request at yesterday's meeting. The governor

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requested that Defense Minister Hayashi visit the prefecture at an early date, but Hayashi avoided an immediate answer.

After the meeting, Governor Nakaima made a statement about the working team on the relocation of Futenma Air Station that had been held at the ministry on the same day: "There is a limit to the technical talks that the Minister has assembled. The team is to boil down what we agree on and what we disagree on. I am hoping we can resolve issues by properly narrowing down the agenda items and bringing things into focus."

On the question of whether the working team will consider or not the moving of the relocation site into the sea, the governor stated: "By exchanging views at the technical and working levels, we can find out what we know to a certain extent (about whether we can move the site or not). It is better to do this separate from the environmental issue." He pointed out the need to consider matters from the technical standpoint, separating the issue from the environmental impact assessment.

(2) Exchange of views between delegation from U.S. House of Representatives and heads of communities hosting bases in Okinawa Prefecture

OKINAWA TIMES (Page 2) (Full)
August 6, 2008

A staff delegation of specialists from the U.S. House of Representatives who are responsible for the move of U.S. Marines stationed now on Okinawa to Guam under the realignment of U.S. forces in Japan met on August 5 in the official residence of the U.S. consul general in Okinawa (Ginowan City) with heads of the communities hosting U.S. bases, such as Ginowan City Mayor Yoichi Iha and Urasoe City Mayor Mitsuo Gima, for an exchange of views.

Mayor Iha appealed for splitting apart the package of the relocation of Futenma Air Station to Camp Schwab at Nago City and the moving of the Marines to Guam, carrying them out separately. However, Nago City Mayor Bunshin Suematsu and others urged the relocation of Futenma go according to the Japan-U.S. agreement.

The heads and deputy heads of approximately 10 cities, towns, or villages, such as Okinawa City, Kadena-cho, Kin-cho, and Ginoza-son, participated from all over the prefecture. The U.S. staff

delegation who attended represented such committees as the House Committee on Natural Resources, Committee on Financial Services, and Judiciary Committee. They listened to the views of the local representatives.

(3) Foreign Ministry to convey all reports from U.S. to organizations concerned

TOKYO SHIMBUN (Page 2) (Full)
Evening, August 4, 2008

The Foreign Ministry was slow to convey to other government offices and concerned municipalities information on the leak of radiation from a U.S. nuclear-powered submarine during its port call at Sasebo Naval Base in Sasebo, Nagasaki Prefecture. Learning a lesson from this incident, the Foreign Ministry announced on August 4 that it would improve its communication system in a way to speedily notify organizations concerned of any such report from the United States in

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the future.

There have been a number of reports from the United States to the Foreign Ministry on accidents involving U.S. nuclear-powered vessels near its bases. The ministry, however, has conveyed to concerned organizations only the accidents that might be harmful to human health.

The United States reported the latest submarine radiation leak to the Foreign Ministry on the afternoon of August 1. But the ministry did not disclose or report it to Foreign Minister Masahiko Koumura and others until August 2 on the grounds that the amount leaked was extremely small.

(4) Interview with Daniel Berman, former US Embassy minister-counselor for agricultural affairs; Consumers should be given freedom to choose (part one)

NIHON NOGYO SHIMBUN (Page 3) (Full)
August 3, 2008

Daniel Berman, former minister-counselor for agricultural affairs at the U.S. Embassy, Tokyo, left Japan on August 1, after completing his four years of assignment in Japan. He engaged in negotiations on such issues as beef trade, which was affected by the BSE issue. The Nihon Nogyo Shimbun interviewed him in Tokyo on July 28, just before he left Tokyo.

No risk of BSE

-- What results did you achieve over the past four years?

Negotiations on beef trade, which was suspended temporarily due to the BSE issue, were at the top of the agenda. In October 2004, just after I arrived at my post in Japan, the governments of Japan and the U.S. held talks (in which both sides reached a broad agreement on beef-import conditions). The ban on U.S. beef imports was partially lifted then. But I had not anticipated at that time that the 2004 provisional trade program (that allows exports of only beef from cattle 20 months of age or younger) would continue into 2008.

-- Prohibited specified risk materials (SRM), such as vertebral columns, were discovered in shipments from the U.S. to Japan.

There were several times when a shipment of beef containing SRMs arrived in Japan. But we think that mistakes in the paperwork or the packing process should be properly separated from the issue of food safety. We have made efforts to have Japanese consumers understand this point. Japan tends to expect the safety of food to be ensured 100 PERCENT. There were never any safety problems involving U.S. beef, in my view.

-- It has been reported that the Japanese government plans to raise the age limit of cattle whose meat is eligible for import to those aged up to 30 months.

The World Organization for Animal Health (OIE), which Japan has also joined, has provided clear information about BSE and trade, representing the views of the world's most distinguished scientists. The U.S.' assertions are clear and consistent. As the OIE guidelines specified, the U.S. should be allowed to export beef regardless of

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cattle age. This applies not only to Japan but to all other countries across the world. It is undesirable for certain countries to adopt different import conditions from the point of view of ensuring a high level of transparency.

-- The volume of imports of U.S. beef last year dropped to about one-10th of its peak period (in Japan).

Japanese consumers have begun to believe that U.S. beef is safe. Japan has set the condition of importing only beef from cattle 20 months of age or younger. This has made it difficult for the U.S. to procure a lot of domestic cattle that meet this condition, so only a limited volume of beef is available in the Japanese market. It is not correct to say that there is little demand for U.S. beef in Japan.

I would point out that we are now experiencing a switch from a buyer's market to a seller's market across the world, not limited to the beef market. Taking advantage of a buyer's market, Japan so far acquired farm products from many countries. Exporting countries also stepped up efforts to improve product quality to meet Japan's severe standards. It was possible for Japan to select and buy goods. But the situation is gradually changing.

Balancing buyers and sellers in trade will become more important from now. Our new role is to mediate between consumers in Japan and suppliers in the U.S.

-- In such a case, it is necessary to raise Japan's food self-sufficiency rate, isn't it?

We are Japanese farmers' partner. Japan is a food-importing country, and even if Japan wants to supply entire domestic demand by itself, it is impossible to find ways to do so, isn't it? Food import is a solution strategy, and not a problem. I think it would be better for Japan to consider how to import food in a stable way, instead of considering how to curb imports.

(5) Fukuda names ex-ministers as senior vice ministers, focusing on ability to implement

NIKKEI (Page 2) (Full)
August 5, 2008

Senior vice ministers are usually selected through coordination among the factions of the Liberal Democratic Party (LDP). But Prime Minister Yasuo Fukuda unprecedentedly named two ex-cabinet ministers as a senior vice health minister and a senior vice trade minister. These appointments will be officially approved today. In a bid to prepare a system to implement policies under political leadership, Fukuda also focused on the ability to act in appointments other than ministerial ones. In the selection process, though, there was friction between the prime minister and the party.

"I will place the right people in the right jobs. I want persons of action to become (senior vice ministers)." Speaking before reporters at his official residence (Kantei) last night, Fukuda emphasized that he was giving importance to capability in picking senior vice ministers.

Senior vice ministers and parliamentary officials are usually appointed through coordination among LDP factions in the office of

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the LDP deputy secretary general. The government then gives approval. Since the Koizumi cabinet, the prime minister has named

cabinet ministers based on his intention, but the selection of senior vice ministers and lower-level officials has been left in the hands of the factions.

Fukuda emphasized his desire to mobilize ex-cabinet ministers for the posts of senior vice health minister, senior vice foreign minister, and senior vice finance minister. He also advised assigning women and warned his aides not to give bureaucrats-turned politicians posts at government ministries where they were once in service, including parliamentary official posts. The Kantei received a draft list of senior vice ministers from the LDP but later returned it, ordering that a female lawmaker and more ex-ministers be included on the list. The deputy secretary general grumbled: "There is a perception gap between the Kantei and the party."

The haggling between the Kantei and the LDP was settled last evening. Former Environment Minister Ichiro Kamoshita and Sanae Takaichi, state minister for declining birthrate under the Abe administration, were singled out as a senior vice health minister and a senior vice economy, trade and industry minister, respectively.

In the Health, Labor and Welfare Ministry, members have mingled hope and apprehension about the appointment of the heavyweight as a senior vice minister. One member said: "What will become of role-sharing between Mr. Kamoshita and Health Minister Yoichi Masuzoe? It might be difficult to lay the groundwork." Another said: "Mr. Kamoshita used to be a doctor. He may spot half-finished work, but he will not take exorbitant action. We can trust him." But Masuzoe's stock argument is that three ministers are needed for the ministry, which offers a wide range of services. Attention is being focuses on how the Masuzoe-Kamoshita team will work from now.

One minister-level parliamentary vice minister after another joined the Obuchi cabinet in 1998. Sadakazu Tanigaki, who had served as Science and Technology Agency director general, assisted Finance Minister Kiichi Miyazawa, who assumed the post to deal with financial instability. Nobutaka Machimura, who had served as education minister, assumed office as parliamentary foreign vice minister under Masahiko Koumura, who joined the cabinet for the first time as foreign minister under the Obuchi cabinet.

About seven years have passed since the government introduced a system of senior vice ministers. The government anticipated that the new system would contribute to eliminating bureaucratic initiative and instead to building a politics-led policymaking system. But no remarkable results have been produced so far. The focus of attention is now on whether some results will be produced in the Fukuda cabinet shuffle, which will be completed with the selection of parliamentary vice ministers today.

(6) Seeds of confrontation over economic stimulus measures: Calls for delaying target to move primary balance into black gaining ground in ruling camp; Other calls for revising structural reform policy beginning to be heard, with eye on next Lower House election

NIKKEI (Page 3) (Abridged slightly)
August 5, 2008

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The shuffled Fukuda cabinet has started drafting a package of economic stimulus measures to address soaring crude oil prices and the slowing economy. Although the government underscores a stance of giving serious consideration to fiscal discipline, at the same time it is keeping open the option of compiling a supplementary budget in the next extraordinary Diet session. With the possibility of dissolution of the Lower House for a snap election happening anytime soon, calls for putting on the backburner the government target of moving the primary balance into the black are gaining ground in the Liberal Democratic Party. Chances are that a dispute could break out in the ruling camp over how much to revise the spending cut policy line. This could upset the Fukuda administration's running of its government.

Supplementary budget also eyed

Referring to an economic stimulus package, Prime Minister Yasuo Fukuda on the evening of August 5 told reporters. "It is important to finance the package with the present budget." He indicated his intention to draw funds from the reserve funds (350 billion yen) in the fiscal 2008 budget.

As a measure to finance the package, the government is considering digging out wasteful expenditures and using accumulated funds in the special account. It intends to adopt a package that gives consideration to upholding fiscal discipline. However, apart from this stop gap measure, it is also considering compiling a supplementary budget in the next extraordinary Diet session. Chief Cabinet Secretary Machimura noted, "We will take a flexible approach regarding what should be done during the extraordinary Diet session."

The Democratic Party of Japan (DPJ) has already compiled its own emergency economic stimulus package totaling 2.7 trillion yen in July in the wake of the steep rise in crude oil prices. Amid speculation that there could be dissolution of the Lower House around the turn of the year, there is an atmosphere in the government and the ruling parties that they would not be able to campaign unless an economic stimulus package was made an issue, as one mid-ranking LDP member put it.

Secretary General Taro Aso is considering putting the government target of moving the primary balance into the black by fiscal 2011 on the back burner with eye on the next Lower House election. When the basic policy guidelines on economic and fiscal management and structural reforms for the fiscal 2006 national budget, which include this target, were adopted at a cabinet meeting, Aso was present at the meeting as foreign minister. However, he is increasingly becoming alarmed about the situation, saying, "The economic environment surrounding Japan is becoming harsh, as can be seen in surging resource prices."

The primary balance is a gauge of a government's fiscal soundness where expenditures are balanced by tax revenues. The government intends to achieve the goal, by combining two approaches -- cutting expenditures in such areas as social security and increasing expenditures through economic growth. However, there are high barriers to clear.

Proposal for postponement of target also aimed at staving off criticism of tax hike plan

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According to the Cabinet Office's estimate, the balance of payment in fiscal 2011 would show a loss of 3.9 trillion yen, even if the spending cut policy is implemented to the full. This is due to the downside revision of an estimate for economic growth. A senior official of one economic ministry said, "If the target is to be maintained, it should be achieved, by hiking (the consumption tax)." Seeing through such a situation, the DPJ has begun criticizing the shuffled cabinet, calling it a taxing cabinet, or one that is tasked with preparing the way for a tax hike, as Secretary General Hatoyama put it.

It is likely that a proposal for putting the target to move the primary balance into the black is also aimed to stave off opposition parties' criticism of a tax hike. Putting the target on the back burner has the advantage of enabling the government to point out the need to hike the (consumption) tax in the future. as well as to allay a sense of imminence that the tax would be increased in several years' time.

Aso also stressed that economic stimulus measures would lead to shoring up the administration. If the restriction that 14-14.3 trillion yen in expenditures combining those of the central government and those of local governments must be cut tax by fiscal 2011 is scrapped, flexible fiscal disbursements would become possible.

Both former Secretary General Hidenao Nakagawa, who attaches importance to boosting tax revenues through economic growth in implementing the fiscal reconstruction policy, and State Minister for Economic and Fiscal Policy Kaoru Yosano, who gives priority to rebuilding national finances, advocate the target of moving the primary balance into the black by fiscal 2011, though they are opposed to each other in other areas. The scrapping of the spending cut policy would lead to a switch in the reform line, which has been in place since the Koizumi administration.

Finance Minister Bunmei Ibuki, who is seen as an advocate of the fiscal reconstruction policy, stressed in an interview on August 4, "It would be inconceivable to issue deficit-covering government bonds, except for some extraordinary reason." However, the confrontation between the advocates of the fiscal reconstruction policy and those who attach importance to boosting tax revenues through economic growth in implementing the fiscal reconstruction policy in addition to the presence of those who call for putting the target of moving the primary balance into the black would make the policy confrontation in the government and the ruling parties make even more complicated. The shuffled cabinet's switch from the structural reform policy line would become clear, depending on how the confrontation will be settled.

Focus on economic stimulus package, measures for small- and medium-size businesses, farmers: Concern about pork-barrel largesse still remains

The envisaged economic stimulus package will be centered on measures to deal with spikes in prices caused by the steep rise in crude oil and food prices. To be specific, the package will include assistance to small- to medium-sized businesses, measures on the soaring crude oil prices for the trucking industry and mid- to long-term energy measures. In view of the fiscal reconstruction policy line, the government intends to indicate two policy directions in the packet -- a short-term policy with immediate effects and a mid- to

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long-term policy covering a three-year period or so. The mid- to long-term measure will likely involve the tax code issue. A package of measures for each industry sector will likely be compiled without the assumption of an increase in public works or a substantial tax cut.

The Ministry of Economy, Trade and Industry's proposals will likely include an increase in low-interest loans to be provided by government-affiliated financial institutions as a measure to help small- and medium-size businesses. Financial Services Agency Director General Takafumi Sato told a news conference on the 4th his intention to consider making loans to be extended to small- and medium-size businesses more easily available.

The Ministry of Agriculture, Forestry and Fisheries compiled a set of measures for commercial fishermen just in July. However, since the size was within the existing budget, voices complaining that the amount is insufficient are already being heard. The Ministry of Land, Infrastructure and Transport is looking into backing the introduction of a fuel surcharge system designed to pass an increase in fuel prices along to freightage.

The government has started considering economic stimulus measures only several days after the inauguration with the aim of demonstrating its quick response to the public. However, if its approach is entirely focused on pork-barrel largesse to industry circles, the package's spillover effect on the economy would be minor.

(7) Spot poll on new Fukuda cabinet, political parties

YOMIURI (Page 2) (Full)
August 3, 2008

Questions & Answers
(Figures shown in percentage)

Q: Prime Minister Fukuda shuffled his cabinet. Do you support his

new cabinet?

Yes 41.3

No 47.0

Other answers (O/A) 0.8

No answer (N/A) 10.9

Q: Did your evaluation of Prime Minister Fukuda go up or down with his cabinet shuffle this time, or does it remain unchanged?

Up 11.5

Down 13.2

Unchanged 72.3

N/A 3.0

Q: In his cabinet shuffle this time, Prime Minister Fukuda appointed Kaoru Yosano to the post of economic and fiscal policy minister. Do you support this appointment?

Yes 32.9

No 42.8

N/A 24.3

Q: Then, what do you think about Prime Minister Fukuda's appointment

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of Kyoko Nakayama to the post of state minister for the issue of North Korea's abductions of Japanese nationals. Do you support this appointment?

Yes 74.9

No 16.7

N/A 8.4

Q: Health, Labor and Welfare Minister Yoichi Masuzoe has been retained. Do you support this?

Yes 76.5

No 17.6

N/A 5.9

Q: Chief Cabinet Secretary Nobutaka Machimura has been retained. Do you support this?

Yes 42.7

No 40.5

N/A 16.8

Q: Prime Minister Fukuda, who is president of the Liberal Democratic Party, picked Taro Aso for the post of LDP secretary general in his appointment of a new LDP executive lineup. Do you support this?

Yes 66.3

No 24.3

N/A 9.4

Q: What do you want the new cabinet to pursue on a priority basis? Pick as many as you like from among those listed below, if any.

Price stabilization 87.6

Tax reform, including consumption tax 62.5

Pension issue 82.1

Healthcare for elderly 76.9

Consumer administration 50.8

North Korea 65.8

Global warming 76.6

O/A 1.5

Nothing in particular 1.0

N/A 0.6

Q: Do you think Prime Minister Fukuda was able to show his own imprint in shuffling his cabinet and appointing a new lineup of executives for his ruling Liberal Democratic Party?

Yes 28.2

No 58.8

N/A 12.9

Q: Which political party do you support now? Pick only one.

Liberal Democratic Party (LDP) 35.1
Democratic Party of Japan (DPJ or Minshuto) 24.6
New Komeito (NK) 3.9
Japanese Communist Party (JCP) 3.5
Social Democratic Party (SDP or Shaminto) 1.1
People's New Party (PNP or Kokumin Shinto) 0.1
New Party Nippon (NPN or Shinto Nippon) ---
Other political parties ---

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None 30.0

N/A 1.8

Q: When would you like the House of Representatives to be dissolved for a general election?

As early as possible 35.1
Late this year or early next year 10.0
Next spring or afterward 15.6
Before the current term expires in September next year 32.1
N/A 7.2

Q: If an election were to be held now for the House of Representatives, which political party would you like to vote for in your proportional representation bloc?

LDP 30.8
DPJ 34.2
NK 4.6
JCP 4.4
SDP 1.5
PNP 0.2
NPN ---
Other political parties ---
Undecided 19.7
N/A 4.7

Polling methodology

The survey was conducted across the nation from 8 p.m., Aug.1, through Aug. 2 on a computer-aided random digit dialing (RDD) basis. Households with one or more eligible voters totaled 1,745. Valid answers were obtained from 1,006 persons (57.7 PERCENT).

(8) Poll on new Fukuda cabinet, political parties

MAINICHI (Page 3) (Full)
August 3, 2008

Questions & Answers

(T = total; P = previous; M = male; F = female)

Q: Do you support the new Fukuda cabinet?

T P M F
Yes 25 (22) 20 29
No 52 (54) 62 44
Not interested 21 (21) 17 24

Q: (Only for those who answered "yes" to the above question) Why?

T P M F
Because the prime minister is from the Liberal Democratic Party 34
(27) 47 26
Because something can be expected of the prime minister's leadership
8 (7) 5 9
Because there's something stable about the prime minister 27 (32) 17
33
Because something can be expected of the prime minister's policy
measures 20 (21) 22 19

Q: (Only for those who answered "no" to the above question) Why?

T P M F

Because the prime minister is from the Liberal Democratic Party 8
(6) 10 6
Because nothing can be expected of the prime minister's leadership
38 (34) 35 42
Because there's no fresh image about the prime minister 4 (6) 3 5
Because nothing can be expected of the prime minister's policy
measures 47 (50) 50 43

Q: Which political party do you support?

T P M F

Liberal Democratic Party (LDP) 24 (22) 23 25
Democratic Party of Japan (DPJ or Minshuto) 24 (25) 31 18
New Komeito (NK) 4 (5) 4 4
Japanese Communist Party (JCP) 3 (3) 4 2
Social Democratic Party (SDP or Shaminto) 1 (2) 1 1
People's New Party (PNP or Kokumin Shinto) 1 (0) 0 1
New Party Nippon (NPN or Shinto Nippon) 0 (0) 1 0
Other political parties 1 (0) 2 1
None 39 (40) 32 45

Q: Prime Minister Fukuda shuffled his cabinet and renewed the LDP's executive lineup. Do you support this?

T P M F

Yes 31 26 35
No 56 67 47

Q: (Only for those who answered "yes" to the above question) Why?

T P M F

There's something new and fresh 20 18 21
The prime minister displayed leadership 13 10 14
The prime minister appointed appropriate persons 45 49 43
The prime minister considered the ruling parties 13 16 11

Q: (Only for those who answered "no" to the above question) Why?

T P M F

There's nothing new or fresh 21 22 20
The prime minister didn't display leadership 27 28 25
The prime minister didn't appoint appropriate persons 21 19 23
The prime minister considered the ruling parties too much 24 26 22

Q: Do you think the prime minister's political goal is now clear with his cabinet shuffle?

T P M F

Yes 18 19 17
No 72 74 70

Q: Prime Minister Fukuda appointed Taro Aso to the post of LDP secretary general. Do you look to LDP Secretary General Aso for something?

T P M F

Yes 57 54 56
No 36 40 33

Q: When do you think the House of Representatives should be

dissolved for a general election?

T P M F

As early as possible 45 52 40
Late this year or early next year 8 10 6
Next spring 22 19 25
No need to dissolve 13 13 13

Q: Which one between the LDP and the DPJ would you like to see win in the next election for the House of Representatives?

T P M F
LDP 31 (25) 28 35
DPJ 46 (46) 55 38
Other political parties 12 (16) 11 13

(Note) Figures shown in percentage, rounded off. "0" indicates that the figure was below 0.5 PERCENT. "No answer" omitted. Figures in parentheses denote the results of the last survey conducted July 12-13.

Polling methodology: The survey was conducted Aug. 1-2 over the telephone across the nation on a computer-aided random digit sampling (RDS) basis. A total of 1,532 households with one or more eligible voters were sampled. Answers were obtained from 921 persons (60 PERCENT).

(9) Sankei-FNN poll on new Fukuda cabinet, political parties, MSDF mission, Takeshima issue

SANKEI (Page 5) (Full)
August 5, 2008

Questions & Answers

(Note) Figures shown in percentage. Figures in parentheses denote findings from the last Sankei-FNN survey conducted July 12-13.

Q: Do you support the new Fukuda cabinet?

Yes 29.3 (21.7)
No 51.5 (61.2)
Don't know (D/K) + Can't say which (CSW) 19.2 (17.1)

Q: Which political party do you support?

Liberal Democratic Party (LDP) 27.0 (23.0)
Democratic Party of Japan (DPJ or Minshuto) 26.6 (29.0)
New Komeito (NK) 4.0 (4.6)
Japanese Communist Party (JCP) 3.1 (3.5)
Social Democratic Party (SDP or Shaminto) 1.2 (1.5)
People's New Party (PNP or Kokumin Shinto) 0.6 (0.5)
New Party Nippon (NPN or Shinto Nippon) 0.0 (0.1)
Other answers (O/A) 1.3 (1.0)
None 34.3 (35.6)
D/K + Can't say (C/S) 1.9 (1.2)

Q: Do you appreciate Prime Minister Fukuda and his cabinet on the following points?

Personal character
Yes 42.9 (45.3)

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No 46.2 (44.9)
D/K+CSW 10.9 (9.8)

Leadership
Yes 12.3 (10.7)
No 74.2 (79.6)
D/K+CSW 13.5 (9.7)

Performance
Yes 14.1
No 69.7
D/K+CSW 16.2

Foreign policy
Yes 18.0 (17.8)
No 64.8 (66.0)
D/K+CSW 17.2 (16.2)

Economic policy
Yes 7.9 (7.2)

No 80.0 (79.5)
D/K+CSW 12.1 (13.3)

Response to healthcare, pension issues
Yes 20.7 (12.9)
No 70.7 (77.5)
D/K+CSW 8.6 (9.6)

North Korea policy
Yes 12.8 (14.9)
No 72.1 (71.9)
D/K+CSW 15.1 (13.2)

Q: What's your impression of the new Fukuda cabinet?

None the better for the change 38.1
Featureless 22.3
Well-balanced 20.0
Talented 7.3
Surprising 4.0
Fresh 2.0
D/A+C/S 6.3

Q: Who do you look forward to most in the new Fukuda cabinet?

Health, Labor & Welfare Minister Yoichi Masuzoe 24.4
State Minister for Consumer Affairs Seiko Noda 8.7
State Minister for Abduction Issue Kyoko Nakayama 6.0
State Minister for Economic & Fiscal Policy Kaoru Yosano 2.8
Internal Affairs & Communications Minister Hiroya Masuda 1.2
Land, Infrastructure & Transport Minister Sadakazu Tanigaki 1.2
Chief Cabinet Secretary Nobutaka Machimura 1.1
Foreign Minister Masahiko Koumura 0.8
Finance Minister Bunmei Ibuki 0.8
Defense Minister Yoshimasa Hayashi 0.7
Environment Minister Tetsuo Saito 0.6
State Minister for Financial Services & Administrative Reform
Toshimitsu Motegi 0.6
Agriculture, Forestry & Fisheries Minister Seiichi Ota 0.4
Justice Minister Okiharu Yasuoka 0.3
Education, Science & Technology Minister Tsuneo Suzuki 0.3
Economy, Trade & Industry Minister Toshihiro Nikai 0.3

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National Public Safety Commission Chairman Mikio Hayashi 0.0
O/A 10.5
None 23.8
D/K+C/S 15.5

Q: What do you think about the timing of the cabinet shuffle?

Right 25.9
Too early 11.4
Too late 51.1
D/K+C/S 11.6

Q: What would you like Prime Minister Fukuda and his government to pursue on a priority basis?

Fiscal policy to cut down on waste 28.2 (38.8)
Social security, including healthcare and pension systems 23.5
(26.4)
Economic measures, including price stabilization 21.4 (14.3)
Tax reform, including the consumption tax 6.6 (4.7)
Consumer affairs 5.9 (3.8)
Global warming 5.0 (4.6)
North Korea issues 3.1 (1.8)
Public security 2.0 (2.6)
D/K+C/S 4.3 (3.0)

Q: What form of government would you like to see after the next election for the House of Representatives?

LDP-led coalition government 19.2
DPJ-led coalition government 33.4
LDP-DPJ grand coalition 39.4

D/K+C/S 8.0

Q: When would you like the next election for the House of Representatives to take place?

Within this year 36.8

During the first half of next year 35.1

During the latter half of next year 20.2

D/K+C/S 7.9

Q: How long do you think Prime Minister Fukuda's government will continue?

Several months or so at longest 20.6

Until some time around the next election for the House of Representatives 50.5

Until around the fall of next year 18.9

Until after the fall of next year 5.0

D/K+C/S 5.0

Q: Do you support extending the new Antiterrorism Special Measures Law to back up U.S.-led military operations in Afghanistan?

Yes 32.3

No 53.0

D/K+CSW 14.7

Q: Both Japan and South Korea claim territorial rights to Takeshima, a pair of rocky islets in the Sea of Japan. Do you think Takeshima is part of Japan's territory?

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Yes 73.7

No 8.1

D/K+CSW 18.2

Q: Do you think the Japanese government should claim territorial rights to Takeshima even more strongly?

Yes 75.0

No 13.0

D/K+CSW 12.0

Q: Who do you think is most appropriate for Japan's prime minister among the following politicians?

LDP Secretary General Taro Aso 23.0 (19.1)

Former Prime Minister Junichiro Koizumi 17.4 (19.6)

Prime Minister Yasuo Fukuda 6.4 (6.0)

Health, Labor & Welfare Minister Yoichi Masuzoe 4.7

Former Defense Minister Yuriko Koike 2.6 (4.0)

State Minister for Economic & Fiscal Policy Kaoru Yosano 1.5 (1.1)

State Minister for Consumer Affairs Seiko Noda 0.7

Other ruling party lawmakers 3.0 (3.3)

DPJ President Ichiro Ozawa 12.8 (11.1)

Other opposition party lawmakers 6.1 (6.7)

None 17.9 (21.6)

D/K+C/S 3.9 (4.7)

Polling methodology: The survey was conducted Aug. 2-3 by the Sankei Shimbun and Fuji News Network (FNN) over the telephone on a computer-aided random digit dialing (RDD) basis. For the survey, a total of 1,000 persons were sampled from among men and women, aged 20 and over, across the nation.

(10) TOP HEADLINES

Asahi & Mainichi:

Guerrilla downpour hit Kanto region

Yomiuri:

Tianyang Food-made dumplings found to have caused food poisoning in China

Nikkei:

JAL, ANA to terminate routes due to skyrocketing fuel costs

Sankei:

Chinese police beat, detain two Japanese reporters, growing concern about oppression of free speech

Tokyo Shimbun:

Two die in accidents in Tokyo sewage system after sudden thunderstorm

Akahata:

140 million tons of CO2 emitted in Iraq war

(11) EDITORIALS

Asahi:

(1) 63rd anniversary of atomic bombing: Nuclear abolition is not an empty dream

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Mainichi:

(1) Atomic-bomb day: World must aim at eliminating nuclear weapons
(2) Terrorist attack in Xinjiang leaves uncertainty over Beijing Olympics

Yomiuri:

(1) Day of atomic bombing: Nuclear proliferation must be stopped
(2) Overloading caused escalator incident

Nikkei:

(1) Bribes in developing countries not conventional wisdom but crime
(2) Don't slack monitoring moves toward nuclear proliferation

Sankei:

(1) Atomic-bomb day: Government should renew resolve to prevent North Korea's possession of nuclear weapons
(2) ODA bribes: Bid farewell to unfair business practice

Tokyo Shimbun:

(1) Consider on atomic-bomb day

Akahata:

(1) 63rd anniversary of atomic bombings of Hiroshima, Nagasaki: Envelop forces still insisting on nuclear deterrence

(12) Prime Minister's schedule, August 5

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09:34

Executive meeting at the party headquarters.

10:02

Cabinet meeting at the Kantei. Then meeting at the Decentralization Reform Promotion Headquarters. Health, Labor and Welfare Minister Masuzoe remained.

10:56

Met with Tokyo Dental College President Yuzuru Kaneko and bereaved kin of late former Upper House President Inoue, followed by former MEXT Minister Kawamura.

11:50

Met with Former Deputy Chief Cabinet Secretary Ono.

12:00

Met with Space Development Strategy Headquarters Secretariat Establishment Preparation Office Chief Toyoda. Then met with Ono, Deputy Chief Cabinet Secretary Shionoya and Iwaki.

12:44

Arrived at the official residence.

13:26

Informal representation at the Imperial Palace. Then attestation ceremony for senior vice minister.

16:16

Photo session with the senior vice ministers at the Kantei. Then

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gives assignments to the chief Vice Cabinet Office minister. Then meeting of senior vice ministers. Met with Chief Cabinet Secretary Machimura.

16:32

Arrived at the official residence.

18:01

Left Haneda Airport on JAL 1615.

18:30

Meeting with Masuzoe on the plane.

18:57

Arrived at Hiroshima Airport.

20:15

Dinner with secretary and others at Steak & Seafood Boston, a restaurant in Grand Prince Hotel in Hiroshima City. Stayed at the hotel overnight.

SCHIEFFER